

APPENDIX E-329 P

NOTICE OF FOREIGN MILITARY SALES (FMS) RESERVATION ADJUSTMENT

1. PURPOSE

a. This procedure is applicable to chapter 5 and describes the method to be followed when processing a notice that a decrease adjustment has been made against materiel reserved in Purpose Code N assets for Foreign Military Sales (FMS) Requirements.

b. The appendix F-196 Printout is automatically prepared by the Office of Data Systems (ODS) when an inventory decrease adjustment transaction (DIC D9_) or reversal (DIC D8_) has reduced the on-hand balance of a NSN reserved in Purpose Code N.

2. APPENDICES USED IN THIS PROCESS

- a. Appendix A-156, Reason for Study Codes.
- b. Appendix B-22, Materiel Adjustment Document.
- c. Appendix B-179, Request for Standard Supply Control Study Request Transaction.
- d. Appendix E-022 P, Preparation of Materiel Adjustment Document.
- e. Appendix E-503 P, Processing Foreign Military Sales (FMS) Price and Availability Studies.
- f. Appendix F-167, Standard Supply Control Study.
- g. Appendix F-196, Notice of Foreign Military Sales Reservation Adjustment.

3. RESPONSIBLE ORGANIZATIONAL ELEMENTS

Individual Item Managers in the Commodity Branches within DSO are responsible for completion of procedures/processes described by this appendix.

4. PROCEDURES/INSTRUCTIONS

a. The appendix F-196 printout received by the individual Item Manager from ODS will be in one copy and will be sequenced by ORC and NSN with a page break on change or ORC and/or on page overflow. When these printouts are received, processing personnel will take the following actions:

(1) Secure an appendix F-167 Standard Supply Control Study (SSCS) by input of a Request for Standard Supply Control Study Transaction prepared in the format of appendix B-179 with Reason Code IM (reference appendix A-156) in pos. 79-80 for each NSN listed on the appendix F-196 printout.

(2) Review the appendix F-167 SSCS and determine whether or not the decreased quantity of Purpose Code N stock can be replaced from Purpose Code A assets at a distribution activity other than the one at which the decrease was made. This determination will be made on the basis of Purpose Code N reservation criteria prescribed in appendix E-503 P.

(a) If the decreased quantity of the NSN in Purpose Code N at one location can be replaced by reservation of a like quantity at another distribution activity, make the replacement reservation in accordance with provisions of appendix E-503 P, update the manual record of reservations to show additional action taken and the new location (distribution activity) at which the replacement reservation has been made. Take no further action pending receipt of a requisition.

(b) If the decreased quantity of the NSN in Purpose Code N stock cannot be replaced by reservation of a like quantity at another distribution activity, review and compare the notification (appendix F-196) against the manual record of reservations (reference paragraph 4b(5) appendix E-503 P) for the NSN involved:

1. If the decrease transaction reduces the Purpose Code N balance to zero, notify the affected International Logistics Control Office(s) (ILCOs) by letter that the quantity(s) of the NSN previously reserved in Purpose Code N stock is no longer available for issue. Inform them of the reason for lack of these assets and that their requirements can be supplied only by procurement for direct vendor delivery. In the letter of notification, furnish the following additional detail information for each reservation involved:

a. Military Assistance Program (MAP) Country Code and Tri-Alpha Case Identifier.

b. NSN and quantity initially reserved in Purpose Code N stock.

c. Procurement leadtime for the NSN. This leadtime is to be based on the Required Availability Date (RAD) procurement leadtime for the FSC (or individual NSN when applicable) established in accordance with provisions of chapter 18, this volume.

d. Request that if the materiel is still required, the ILCO(s) submit requisition(s) for their requirement(s) of this NSN with a RAD in pos. 62-64 compatible with the RAD procurement leadtime shown. Annotate action taken on the manual reservation record.

2. If the decrease transaction does not reduce the Purpose Code N balance to zero:

a. Select the individual FMS Case number of the U.S. Military Service having the most recent reservation date as the reservation commitment to be affected by the reduction in Purpose Code N assets. In instances of multiple reservations and the quantity reduced by the decrease transaction is of such magnitude that more than one reservation commitment cannot be fulfilled from Purpose Code N assets, FMS Case reservations to be affected will be selected by most recent date, next most recent date, etc., until the reduced quantity is compensated by quantity reserved for successive reservations.

b. FMS case reservations for which there is no reserved stock remaining in Purpose Code N will be processed in accordance with procedures outlined in subparagraph 1 above.

c. When only a partial quantity for an individual reservation is affected by the decrease transaction, notify the affected Military Service ILCO of the reduced reserved quantity of the NSN and furnish them the reason for the decrease. This notification will contain at the minimum, the following information:

(1) Country Code and Tri-Alpha Case Identifier of the reservation affected.

(2) NSN, quantity initially reserved and reduced quantity remaining for satisfaction of the initial reservation.

(3) A request for reply containing a statement as to whether or not the reduced remaining reserved quantity will suffice for the affected FMS case.

(4) A statement that if the reduced reserved quantity is insufficient for the affected FMS case, the total quantity will have to be procured for direct vendor delivery and the remaining reduced quantity reserved in Purpose Code N will no longer be available for the affected FMS case.

(5) Procurement and delivery leadtime in number of months based on the RAD procurement leadtime established in accordance with provisions of chapter 18, this volume.

b. Upon receipt of reply from the Military Service ILCO stating that the remaining reduced NSN quantity in Purpose Code N stock is or is not acceptable take the following actions:

(1) If the reduced remaining quantity reserved in Purpose Code N stock is acceptable for the affected FMS case, update the manual reservation file record to show the revised quantity. Take no further action pending receipt of a requisition.

(2) If the reply states that requirements for the affected FMS case cannot be fulfilled by the remaining quantity reserved in Purpose Code N stock and that they still require the original quantity:

(a) Transfer the remaining reserved quantity, for the specifically involved FMS case only, from Purpose Code N stock to Purpose Code A stock by preparation and input of a Materiel Adjustment Document in the format of appendix B-22 utilizing DIC DAD. Refer to appendix E-022 P.

(b) Update the manual record of reservations to show action taken to delete the reservation of materiel from Purpose Code N stock.

c. Retain and file, or destroy the completely processed appendix F-196 Printout, associated correspondence and manual record of affected Purpose Code N reservations in conformance with current record storage and disposition policy.

5. FLOWCHART

Flowchart not required.